Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matters of	)	
	)	
Deployment of Wireline Services Offering Advanced Telecommunications Capability	)	CC Docket No. 98-147
	)	
and	)	
	)	
Implementation of the Local Competition Provisions of the Telecommunications Act of 1996	)	CC Docket No. 96-98

RESPONSE OF AT&T CORP.
TO PETITIONS FOR RECONSIDERATION

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EXECUTIVE SUMMARY

The Commission should grant MCI WorldCom's request for clarification that the Line Sharing Order compels ILECs to take all necessary steps to allow UNE-P CLECs to self-provision or partner with cooperating carriers to provide voice and high-frequency spectrum services over a single loop. MCI WorldCom has asked the Commission to clarify that the Line Sharing Order allows a CLEC to use the UNE platform, together with its own xDSL facilities or those of a second CLEC, to provide combined UNE platform voice and high-frequency spectrum services. AT&T strongly supports MCI's petition, and has itself urged the Commission to clarify that nothing in the Line Sharing Order prohibits CLECs who use UNE-P from enjoying the same kinds of efficiencies that the Order makes possible for data-only CLECs nor permits ILECs to deny their xDSL services to customers who obtain voice service from a CLEC. As AT&T demonstrated in its own Petition for Clarification, any ILEC refusal to permit xDSL to be added to the UNE-P in a prompt, efficient, and non-disruptive manner is patently unlawful.

A mere clarification of the UNE-P CLECs' rights in this situation, however, is not sufficient to assure that AT&T and other CLECs can actually provide voice and data services over a single line in the same way that ILECs are doing today in a prompt, efficient, and non-disruptive manner. Thus far, the ILECs have failed to provide UNE-P CLECs with any actual support for these efforts, even though the operational procedures needed to support UNE-P CLECs are virtually identical to those the ILECs currently employ to meet their own internal needs and will make available to data CLECs under the terms of the Line Sharing Order. AT&T, therefore, urges that the Commission:

- insist that the ILECs provide and support fully functional and nondiscriminatory operational procedures that enable CLECs employing a UNE-P architecture to offer xDSL capabilities to their voice customers over the same loop, either themselves or through voluntary arrangements with other carriers;

- require that similar procedures for UNE-P CLECs must be commercially viable on, or before, the time when ILECs offer line sharing pursuant to the timetable established in the Line Sharing Order; and

- forbid ILECs (or their affiliates) to deny their xDSL services to voice customers of a CLEC that uses a UNE-P service architecture unless and until fully implemented processes and procedures are in place that enable a UNE-P CLEC to add its own -- or a cooperating carrier's -- xDSL service to a UNE-P configuration as reliably, seamlessly, and quickly as the ILEC can provide combined voice/data services over the same loop.

AT&T also asks that the Commission:

- Reject BellSouth's request for reconsideration of the Commission's national framework for determining when a loop technology is presumed acceptable for deployment. The Commission's loop technology rules strike the appropriate balance between the need to promote development and deployment of new technologies and the need to maintain network integrity. In contrast, BellSouth's petition is little more than an attempt to dismantle the Commission's national framework so that ILECs may dictate the xDSL services their competitors can deploy. If adopted, BellSouth's approach would materially delay xDSL competition and increase the costs of competitive entry by subjecting carriers to the possibility of additional, lengthy state-by-state proceedings.

- Reject Bell Atlantic's request for "flexibility" to modify the Commission's 180-day implementation target to deploy line sharing. In the Line Sharing Order, the Commission recognized the urgency of enabling competitors to enjoy the same kinds of efficiencies that the ILECs have been making available to themselves in offering their advanced data services. The operational processes to deploy and implement ILEC and CLEC line sharing (or CLEC cooperation to effectively accomplish the equivalent of line sharing) are neither "new" nor difficult. The record is clear that ILECs have made it difficult for CLECs to obtain DSL-capable loops, harder still for them to arrange to share voice lines with ILECs, and completely impossible for UNE-P-based carriers to obtain the efficiencies of line sharing. The Commission should brook no further delays and tolerate no further imbalance of competitive opportunities.

- Reaffirm its conclusion that the states, not the ILECs, should determine disposition of known interfering technologies and monitor such disposition as it evolves in the states. The Commission's decision to permit states to determine disposition of disturbers will, if properly enforced, minimize the risk that ILECs will be able to control the use of interfering technologies (such as AMI T1) to preclude deployment of new and less interfering technologies. Although Bell Atlantic claims that the Commission should "permit natural, competitive market forces to determine the disposition" of AMI TI and other disturbing technologies, the natural results of "market forces" can easily be frustrated due to the monopoly control that the ILEC exerts over the loop plant.

- Reject Bell Atlantic's request that the Commission reconsider its rule that ILECs must separately prove on a state-by-state basis that conditioning a "loop over 18,000 feet" will significantly degrade the existing voice service on the loop. AT&T does not necessarily oppose some modification of the Commission's rules regarding loop conditioning where voice degradation is an issue. Rather than a mere length-only standard, however, any limitation on the availability of line sharing should be based on the loss characteristics of the loop between the customer's premise and the central office switch or other intermediate point where the voice and data streams are separated. Moreover, any reliance on loop length factored into the determination of potential voice degradation must be based on the length of *uninterrupted copper wire* (*i.e.*, running from a customer's premises to a DSLAM), not simply the distance of the loop between the customer's premises and the ILEC's central office.

- Deny reconsideration of statements made by the Commission regarding the applicability of the Line Sharing Order to rural telephone companies. The Line Sharing Order declined to grant rural LECs a generalized exemption from the line-sharing obligation; it did not, however, purport to alter the special treatment of rural ILECs spelled out in section 251(f). Nothing the Commission has said on these subjects is inconsistent with the law or with the Commission's prior rulings on the subject of section 251(f).

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RESPONSE OF AT&T CORP.
TO PETITIONS FOR RECONSIDERATION

In response to the Commission's Public Notice,[1] AT&T Corp. hereby responds to the petitions for reconsideration and/or clarification filed by other parties regarding the Commission's Third Report and Order in CC Docket No. 98-147 and Fourth Report and Order in CC Docket No. 96-98, FCC 99-355, released December 9, 1999 ("Line Sharing Order" or "Order") in the above-captioned proceeding. Specifically, AT&T: (1) supports the petition for clarification filed by MCI WorldCom (which comports in all relevant respects with AT&T's own petition for clarification); (2) opposes the petition for reconsideration filed by BellSouth Corporation ("BellSouth"); (3) opposes the petition for reconsideration filed by Bell Atlantic Corporation ("Bell Atlantic"); and (4) opposes the request for reconsideration but does not object to the request for clarification sought by The National Telephone Cooperative Association ("NTCA") and the National Rural Telephone Association ("NRTA").

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[1] Petitions for Reconsideration and Clarification of Action in Rulemaking Proceedings, FCC Public Notice, CC Docket No. 98-147, Report No. 2390 (rel. Feb. 28,2000) published in 65 Fed. Reg. 12004 (March 7, 2000).

I. THE COMMISSION SHOULD GRANT MCI WORLDCOM'S REQUEST FOR CLARIFICATION THAT ILECS MUST TAKE ALL NECESSARY STEPS TO ALLOW UNE-P CLECS TO SELF-PROVISION OR PARTNER WITH COOPERATING CARRIERS TO PROVIDE VOICE AND HIGH-FREQUENCY SPECTRUM SERVICES OVER A SINGLE LOOP.

Like AT&T, MCI WorldCom urges the Commission to clarify that the Line Sharing Order allows a CLEC to use the UNE platform, together with its own xDSL facilities or those of a second CLEC, to provide combined UNE platform voice and high-frequency spectrum services.[2] As MCI WorldCom (at 3-4) correctly recognizes, the operation of this configuration is dependent upon the ILEC carrying out certain discrete functions between (1) the loop leased by the CLEC from the ILEC, and (2) CLEC equipment located in the central office. Accordingly, MCI WorldCom asks (at 6-7) the Commission to clarify that the Line Sharing Order compels ILECs to perform for CLECs the same functions they already perform when line sharing with themselves. AT&T strongly supports MCI WorldCom's petition.

During the time that these reconsideration petitions have been pending, a key development has occurred that strengthens AT&T's and MCI WorldCom's requests. On February 22, 2000, SBC filed its reply comments in support of its application for authority to offer interLATA services in Texas. In those comments, SBC claimed that, "if CLECs chose to offer voice services, they could share the line in precisely the same way as SBC."[3] In addition, SBC claimed that:

> *AT&T is free to offer both voice and data service over the UNE Platform* or other UNE arrangements, whether by itself or in conjunction with its xDSL partner, I[P] Communications. *The Line Sharing Order did nothing to alter those options*; it merely

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[2] MCI WorldCom Petition at 4-6. Like AT&T, MCI WorldCom asks, in the alternative, that if necessary the Commission reconsider its order to achieve this result.

[3] See Application of SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance (collectively "SBC") for Provision of In-Region InterLATA Services in Texas ("SBC Section 271 Application"), CC Docket No. 00-4, Reply Comments of SBC at 25 n.11 (filed Feb. 22, 2000).

allowed data CLECs to access the high-frequency portion of loops over which the incumbent already provides voice service.[4]

AT&T (and MCI) indeed want to offer voice services, as well as xDSL services, and they indeed seek the ability to "share the line in precisely the same way as SBC." SBC's concurrence that the Line Sharing Order "did nothing" to deprive AT&T of that right bolsters AT&T's view that any contrary reading of the order would be unreasonable. This amply justifies an order issuing the clarification that MCI WorldCom and AT&T have requested.

Unfortunately, however, a mere clarification of the UNE-P CLECs' rights in this situation is not sufficient to assure that they can actually provide voice and data services over a single line in the same way that ILECs are doing today in a prompt, efficient, and non-disruptive manner. Indeed, SBC itself has not backed up its regulatory position with action. Rather, it has failed to provide UNE-P CLECs with any actual support for these efforts. Thus, CLECs such as AT&T who want to achieve the same efficiencies as SBC achieves for itself and data-only CLECs will enjoy upon implementation of the Line Sharing Order remain stymied in their efforts to compete. Only forceful intervention by the Commission can remedy this discrimination.

Accordingly, the Commission must insist that ILECs provide and support fully functional and nondiscriminatory operational procedures that enable CLECs employing a UNE-P architecture to offer xDSL capabilities to their voice customers over the same loop, either themselves or through voluntary arrangements with other carriers.[5] The operational procedures needed to support UNE-P CLECs are virtually identical to those the ILECs currently employ to meet their own internal needs and will make available to data CLECs under the terms of the Line Sharing Order. Therefore, the Commission should require that similar procedures for UNE-P

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[4] Id. at 37 n.19 (emphasis added).

[5] See generally Line Sharing Order ¶ 73 (discussing transition between line sharing by ILEC (voice) and CLEC (data) to sharing between a voice CLEC and a data CLEC, Commission finds it

CLECs must be commercially viable on, or before, the time when ILECs offer line sharing pursuant to the timetable established in the Line Sharing Order. Moreover, unless and until fully implemented processes and procedures are in place that enable a UNE-P CLEC to add its own -- or a cooperating carrier's -- xDSL service to a UNE-P configuration as reliably, seamlessly, and quickly as the ILEC can provide combined voice/data services over the same loop, the Commission must also forbid ILECs (or their affiliates) to deny their xDSL services to voice customers of a CLEC that uses a UNE-P service architecture.

II. THE COMMISSION SHOULD REJECT BELLSOUTH'S REQUEST FOR RECONSIDERATION OF THE COMMISSION'S NATIONAL FRAMEWORK FOR DETERMINING WHEN A LOOP TECHNOLOGY IS PRESUMED ACCEPTABLE FOR DEPLOYMENT.

In the Line Sharing Order, the Commission reaffirmed its conclusion from the Advanced Services First Report and Order[6] that a loop technology is "presumed acceptable for deployment when the technology meets any one of the following criteria: (1) it complies with existing industry standards; (2) it is approved by an industry standards body, the Commission, or any state commission; or (3) it has been successfully deployed by any carrier without 'significantly degrading' the performance of other services."[7] In doing so, the Commission intended to encourage deployment of innovative technology and allow competitors the same opportunity as ILECs to deploy advanced services. Line Sharing Order ¶¶ 195-196.

"unacceptable, and potentially discriminatory under section 201 of a violation of section 251 obligations . . . for the incumbent to cause or require any interruption" of the customer's service).

[6] In the Matter of Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Docket No. 98-147, First Report and Order and Further Notice of Proposed Rulemaking, 14 FCC Rcd at 4797, ¶ 67 ("Advanced Services First Report and Order and FNPRM").

[7] Line Sharing Order ¶ 27 & n.51, ¶¶ 195, 196. See also id., Appendix B (adopting new § 51.230).

BellSouth asks (at 1-4) the Commission to modify its finding that a new technology is to be presumed acceptable for deployment nationwide when it has been successfully deployed in one state. BellSouth claims that, short of requiring a new technology to be approved by a standards body, each loop technology should be reviewed for suitability by the state commission in each and every state in which the carrier wishes to deploy the technology.[8] BellSouth's request should be rejected because it is grounded on a false premise and would unduly delay the deployment of advanced services technologies without reasonable cause.

As a threshold matter, BellSouth's request must fail because it is based on the false premise that network architectures and technologies -- and perhaps also the laws of physics -- vary greatly in each of the 50 states. While there may be some truth to the proposition that "network architectures are configured differently between various locations and local exchange carriers,"[9] in fact there has been no showing that these architectures vary so substantially as to justify changing the Commission's approach. Large regional carriers such as BellSouth have not shown that the architectures employed throughout a multi-state region, or from region to region, vary in a manner that is fundamental to DSL deployment. Moreover, all ILECs tend to purchase their network technology from a small number of national equipment suppliers, and the laws of physics are universal. Therefore, it is unlikely that a loop technology deemed suitable by one state commission -- or successfully deployed elsewhere without degradation -- would significantly degrade the performance of advanced services or traditional voiceband services in any other state.

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[8] BellSouth Petition at 3; see also id. 2 (a demonstration that a loop technology is acceptable in one state commission "should not be the basis for presuming that the technology is deployable in every other state").

[9] BellSouth Petition at 2.

In any event, the Commission's rules do not compromise the quality of an ILEC's network services, even in the rare circumstance where a technology approved by one state commission might cause service degradation in another state. The existing rule gives ILECs the ability to demonstrate that a technology introduced without harmful interference in one state will significantly degrade network performance in another state. If an ILEC meets this burden, a requesting carrier that deploys that technology must discontinue using it and migrate its customers to an alternative, non-degrading technology.[10]

As the Commission recognized, its loop technology rules strike the appropriate balance between the need to promote development and deployment of new technologies and the need to maintain network integrity. The Commission's rules are a pro-competitive means of furthering Congress's goals in section 706 to foster the rapid deployment of advanced services. The Commission's loop technology rules provide predictability for competitors and enable them to make informed network investment decisions. This furthers the Commission's goal to "establish competitively neutral spectral compatibility standards and spectrum management rules and practices so that all carriers know, without being subject to unilateral ILEC determinations, what technologies are deployable [so they] can design their networks and business strategies accordingly."[11]

In contrast, BellSouth's petition is little more than an attempt to dismantle the Commission's national framework so that ILECs may dictate the xDSL services their competitors can deploy. BellSouth's objective is as transparent as it is anticompetitive: to materially delay its competitors and to increase their costs. If adopted, BellSouth's approach

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[10] Line Sharing Order ¶ 199; Advanced Services First Report and Order and FNPRM, 14 FCC Rcd at 4798, 4800, ¶¶ 68, 76.

[11] Advanced Services First Report and Order and FNPRM, 14 FCC Rcd at 4796, ¶ 63.

would impair competition for advanced services by subjecting new entrants to the possibility of additional lengthy state-by-state proceedings. Moreover, if BellSouth's modification were adopted, the rule change would itself provide an increased incentive for ILECs to Balkanize their networks, making minor modifications to their network architectures in different states, so as to require CLECs to conform to different specifications in each. Thus, the Commission should reject BellSouth's proposal because it would reduce the uniformity that the Commission has found so essential to the success of advanced services deployment.[12]

III. THE COMMISSION SHOULD DENY BELL ATLANTIC'S REQUEST FOR "FLEXIBILITY" TO MODIFY THE COMMISSION'S 180-DAY IMPLEMENTATION TARGET TO DEPLOY LINE SHARING.

In the Line Sharing Order, the Commission recognized the urgency of enabling competitors to enjoy the same kinds of efficiencies that the ILECs have been making available to themselves in offering their advanced data services. Indeed, the Commission determined that "*any delay* in the provision of the high frequency portion of the loop will have a *significant* adverse impact on competition in the provision of advanced services to customers that want both voice and data services on a single line, especially in residential and small business markets." Line Sharing Order ¶ 161 (emphasis added). It was on this basis that the Commission sought to ensure implementation of line sharing within 180 days from release of the order. Id. ¶ 162. In so doing, the Commission expressed a concern about the delays inherent in the arbitration process and specifically found that "a nine-month delay [from the ILEC's receipt of a CLEC's request] seriously impairs the rapid introduction of competition in the provision of xDSL-based services on a shared line, especially to residential and small business consumers." Id. ¶ 163.

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[12] Id. at 4799, ¶ 71. Indeed, if and to the extent that those ILECs that have promised to compete out of region are serious about doing so, maintaining the existing rule should facilitate such endeavors, because they will not as easily be hindered by the in-region incumbent.

Those statements were made in mid-November, and four months have already elapsed. Moreover, the 180-day clock did not start until early December because of delays in the release of the order. Yet now Bell Atlantic seeks more time, claiming (at 7) that "the Commission grossly underestimated the level of complexity and resources involved in implementing line sharing."

Specifically, Bell Atlantic proposes (at 2) that the Commission approve a phased-in deployment schedule "if the industry determines, through a collaborative process, that the agreed-upon process will best allow one [*sic*?] efficient deployment of line sharing . . . ." It is not clear by what means Bell Atlantic proposes to ascertain whether the "industry" agrees to stretch out the schedule for implementation of line sharing. AT&T, as yet, has not indicated that it will be a participant in an industry agreement to delay such implementation.

Indeed, the operational processes to deploy and implement ILEC and CLEC line sharing (or CLEC cooperation to effectively accomplish the equivalent of line sharing) are neither "new" nor difficult. Rather, these operational processes are substantially similar to the support that the ILEC provides itself, or its "separate" data affiliate. Thus, the ILEC need only extend the procedures it has implemented for its data affiliate to all CLECs, including those employing a UNE-P infrastructure for voice services.[13] While there may be some administrative changes that are both "new" and necessary, those must not stand in the way of making competitive choice available to customers in the short term, particularly given the ILECs' current ability to provide a combined local voice and advanced services offer (and, in the case of Bell Atlantic in New York, long distance service as well). Administrative changes can be worked through and trued-up after the initial date that line sharing capabilities are made available to CLECs.

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[13] Indeed, that is all that should be needed, unless the data affiliate is being treated in a preferential manner that serves to limit competition from others.

The Commission must not tolerate a situation in which the ILEC addresses operational needs of only one group of potential competitors (*i.e.*, data-only CLECs, which want to share the line with the ILEC's voice service) while the needs of a second group of potential competitors (*i.e.*, full-service CLECs, which require the ILECs' essential operational support to add line-sharing capabilities to the services they offer via combinations of network elements) are kept waiting indefinitely. Such delay benefits only the ILEC, which would be virtually the sole market participant capable of providing a bundled package of voice and data services.

When the Line Sharing Order was released, the Commission found that ILECs had gained a more than 17-to-1 advantage over CLECs in deploying voice-compatible xDSL-based services to residential and small business subscribers. Line Sharing Order ¶ 32. By all accounts, the ILECs' DSL activities are progressing even more rapidly today than the Commission was aware of when it adopted the Line Sharing Order. SBC's "Project Pronto" is the leading example. As AT&T has discussed in detail in its comments on SBC's Texas 271 application,[14] SBC has already deployed DSL service in 500 central offices and made its DSL services available to over 10 million potential customers. And this progress is accelerating rapidly: "'SBC is ramping on DSL big time,' said Chmn.-CEO Edward Whitacre. Declining to elaborate on precise subscriber levels in response to [a] question, he said, 'whatever number you think it is, it's a lot more than that.'"[15]

Bell Atlantic, too, is pressing ahead rapidly. It plans to make 21 million residential and business lines DSL-capable throughout its Northeast services area by the end of the first quarter

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[14] SBC Section 271 Application. AT&T Comments at 16-18, and attached Pfau/Chambers Decl. at ¶¶ 8, 12-15 (filed Jan. 31, 2000).

[15] "RBOC Chiefs Stress Data Growth Potential, Wireless, DSL," Communications Daily at 8 (March 10, 2000).

of this year.[16] Other major ILECs are similarly engaged in aggressively rolling out their own DSL services.

When it comes to "the development of new operational systems and processes and the modification of existing ones" needed to promote their *own* competitive objectives, the ILECs move rapidly. Meanwhile, the record is clear that ILECs have made it difficult for CLECs to obtain DSL-capable loops, harder still for them to arrange to share voice lines with ILECs, and completely impossible for UNE-P-based carriers to obtain the efficiencies of line sharing. The Commission should brook no further delays and tolerate no further imbalance of competitive opportunities.

Accordingly, the Commission should reject Bell Atlantic's request to modify the 180-day target specified in the Line Sharing Order.

IV. THE COMMISSION CORRECTLY CONCLUDED THAT THE STATES, NOT THE ILECS, SHOULD DETERMINE DISPOSITION OF KNOWN INTERFERING TECHNOLOGIES.

Bell Atlantic asserts (at 8-10) that the Commission's decision to permit states to determine disposition of known interfering technologies ("disturbers"), such as AMI T1, is "flawed on both legal and policy grounds." Reiterating previous arguments that the Commission has already analyzed and rejected, Bell Atlantic asks (at 9) that the Commission allow ILECs to dictate unilaterally when and how they may remove, relocate, or rehabilitate such interfering technologies. The Commission appropriately rejected those arguments in the Line Sharing Order and it should do so again now.

As the Commission correctly recognized, its decision to permit states to determine disposition of disturbers will, if properly enforced, minimize the risk that ILECs will be able to

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[16] Bell Atlantic Press Release, "Bell Atlantic Triples Availability of Infospeed DSL Service in Massachusetts" (March 13, 2000).

control the use of interfering technologies to preclude deployment of new and less interfering technologies. Line Sharing Order ¶¶ 218-219. This is especially true in the case of AMI T1. Not surprisingly, Bell Atlantic would like to be able to determine unilaterally "when and how" to remove, relocate, or rehabilitate AMI T1. Although Bell Atlantic claims (at 9) that the Commission should "permit natural, competitive market forces to determine the disposition" of AMI TI and other disturbing technologies, the natural results of "market forces" will not achieve the needed result.

If left to its own devices, the ILEC's interest lies in perpetuating existing, high-profit services for as long as possible, giving it a powerful economic incentive to delay competitive xDSL deployment in selected areas. For example, in areas where ILECs have not been forced by competitive pressures to deploy their own high-speed services, they may have a considerable incentive to hinder competitive xDSL deployment by refusing to upgrade existing AMI T1s to non-disturber technologies.[17] Accordingly, Bell Atlantic's interests may be directly contrary to the Commission's goal of encouraging competition for advanced services by ensuring that "the market for these services [are] conducive to investment and innovation, and responsive to the needs of consumers." See Line Sharing Order ¶ 14.

In contrast, the Commission's decision to permit state commissions to determine disposition of disturbers is likely to make the ILECs' plant more hospitable to xDSL deployment by ILECs and by CLECs alike. As the Commission recognized:

> [P]lacing disposition of known disturbers in the hands of the states, who are best equipped to assess the impact of such disturbers on specific areas, strikes the appropriate balance between the "competing goals of maximizing noninterference between technologies and not interfering with subscribers' existing services." At the same time, states are better equipped than incumbent LECs to take an objective view of the disposition of known disturbers, because of the vested interest that incumbent LECs have

[17] The ILECs could either upgrade to HDSL or move the disturbers to separate binder groups, thus freeing up capacity for other compliant DSL services.

in their own substantial bases of known disturbers such as analog T1. Line Sharing Order ¶ 219 (internal citations omitted).

Thus, Bell Atlantic's proposal would deprive the Commission and the states of their ability to establish loop spectrum policy in a manner that best furthers the Act's goals of nondiscrimination and consumer choice. Indeed, the Advanced Services First Report and Order recognized (at ¶ 63) that allowing ILECs unilateral discretion to determine what technologies are deployed over their facilities would stifle CLEC technology. Accordingly, the Commission should (1) reject Bell Atlantic's proposal and reaffirm its decision that states should determine the disposition of known technologies and (2) monitor the disposition of known interfering technologies as it evolves in the states.

V. THE COMMISSION SHOULD NOT ADOPT THE "18,000 FEET" THRESHOLD DISCUSSED IN BELL ATLANTIC'S PETITION BUT MAY CLARIFY ITS RULING TO ADDRESS VOICE DEGRADATION ISSUES.

Bell Atlantic asks (at 6-7) that the Commission not require ILECs to separately prove on a state-by-state basis that conditioning a "loop over 18,000 feet" will significantly degrade the existing voice service on the loop. AT&T opposes Bell Atlantic's request, but does not necessarily oppose some modification of the Commission's rules regarding loop conditioning where voice degradation is an issue.

AT&T does not necessarily oppose a modification of the Commission's rules regarding loop conditioning where voice degradation is a legitimate issue. AT&T acknowledges that a voice provider should not be required to implement line sharing if, through the application of an appropriate engineering-based rule, it can show that removal of load coils would degrade voice service below generally acceptable engineering parameters. Bell Atlantic's proposal to use a simple loop length measurement is inappropriate, however, because it does not focus on the quality of the voice service that can be provisioned over the line. Rather than a mere loop length

rule, limitation on the availability of line sharing should be based on the loss characteristics of the loop between the customer's premise and the central office switch or other intermediate point where the voice and data streams are separated. An appropriate limit to establish in such cases is that the expected loss should not exceed 8.5 DBmO.

Loss is a function of both the loop's length and the gauge of the loop wire. When designing their loop architecture, incumbent LECs often use larger gauge wire to serve locations that are farther away from the central office (or the location where voice and data streams are separated). For example, ILECs often use 26-gauge feeder wire for loop lengths of 0-3 miles and larger 22-24 gauge feeder wire for customers with longer loops. Because larger gauge wire experiences less loss, an 18,000 foot loop of 26-gauge wire may exceed an 8.5 DBmO loss standard, but 20,000 feet of 22-gauge wire should not. As a result, the Commission should reject the length-only standard proposed by Bell Atlantic and adopt a more technically logical measure for this purpose.[18]

VI. THE COMMISSION SHOULD NOT RECONSIDER, BUT MAY APPROPRIATELY CLARIFY, ITS STATEMENT REGARDING THE APPLICABILITY OF ITS RULING TO RURAL TELEPHONE COMPANIES.

The National Telephone Cooperative Association ("NTCA") and the National Rural Telephone Association ("NRTA") ask (at 1) the Commission to "reconsider and clarify its ruling concerning the rural telephone company exemption from the line sharing obligation." No reconsideration is necessary, but the Commission may wish to clarify.

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[18] Moreover, any reliance on loop length in determining potential voice degradation must be based on the length of *uninterrupted copper wire* (*i.e.*, running from a customer's premises to a DSLAM), not simply the distance of the loop between the customer's premises and the ILEC's central office. In locations where the ILEC has deployed new digital loop carrier (DLC) systems, much of the copper is replaced with a fiber back haul to the ILEC's central office. When this occurs, the length of the copper between the customer's premises and the new DLC is the only portion of the loop where voice degradation may occur. For example, if the copper segment is only 1,000 feet in a 20,000 foot loop, then no loop conditioning is required and there should be no practical (or legal) limitation on the type of xDSL service that could be offered.

Although NTCA and NRTA claim (at 2) that "the Commission has misinterpreted section 251(f) of the Telecommunications Act," in fact it is NTCA and NRTA that have misinterpreted the order. The Line Sharing Order declined to grant rural LECs a generalized exemption from the line-sharing obligation; it did not, however, purport to alter the special treatment of rural ILECs spelled out in section 251(f). Line Sharing Order ¶ 224.

There is no uncertainty about the extent to which NTCA's and NRTA's members are subject to line sharing responsibilities. The effect of the Line Sharing Order is to identify line sharing as one of the responsibilities to which ILECs are subject under section 251(c). But this does not alter the fact that, under section 251(f)(1), rural telephone companies that meet the criteria in section 3(37) of the Communications Act need not provide line sharing *until* they receive bona fide requests therefor and the state commission determines that any such request is not unduly economically burdensome, is technically feasible, and is consistent with section 254. By contrast, under section 251(f)(2), other rural telephone companies serving fewer than two percent of the nation's access lines must provide line sharing *unless* a state commission has suspended or modified the obligation on the basis of certain specified findings, in which case they are exempt from the obligation to the extent, and for the duration, that they have been excused by the state commission.

Nothing the Commission has said on these subjects is inconsistent with the law or with the Commission's prior rulings on the subject of section 251(f). There is, accordingly, no need for reconsideration. AT&T does not object, however, to clarification along the lines discussed above.

CONCLUSION

For the foregoing reasons, and for the reasons set forth in AT&T's Petition for Expedited Clarification, AT&T respectfully requests that the Commission clarify or, in the alternative, reconsider and modify on an expedited basis, its Line Sharing Order as specified by AT&T in this Response and in its Petition for Expedited Clarification in this proceeding. AT&T further urges that the other issues in this proceeding be resolved in accordance with the recommendations above.

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March 22, 2000

CERTIFICATE OF SERVICE

I, Cathy M. Quarles, hereby certify that on the 22nd day of March, 2000, I caused copies of the foregoing "RESPONSE OF AT&T CORP. TO PETITIONS FOR RECONSIDERATION," to be served by hand delivery (*) or by first class mail on the following:

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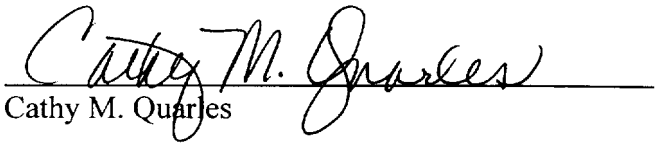

Cathy M. Quarles

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